



EMPOWERING PEOPLE TO THRIVE | EST. 1968

Carolyn D. Brown, Executive Director

May 23, 2022

Stefanie Gordon, Regional Grants Management Officer
Department of Health and Human Services
Administration for Children and Families
26 Federal Plaza
Suite 4114
New York, New York 10278

RE: Grant No. 02CH011394
Approval of HS/EHS Cost of Living Adjustment

Dear Ms. Gordon:

The Board of Directors of PEACE, Inc. has reviewed and approved the proposed application to apply for the 2.28% Cost of Living Adjustment (COLA) for the Head Start / Early Head Start program.

Sincerely,

David A. Scharoun
President
PEACE, Inc.
Board of Directors

2022 COLA and QI summary

Head Start issued a cost-of-living-adjustment (COLA) for 2.28% to increase the pay scale for staff, including vacant positions, fringe benefits and to offset higher operating costs. Quality Improvement (QI) funds were issued to improve the compensation (including benefits) of personnel.

We have the following funds available:

\$290,958 - COLA, and

\$60,160 – Quality Improvement (QI);

\$351,118 Grand Total

The funds will be used to:

\$265,391 – total cost to increase salaries by 2.28%

\$25,567 – total COLA remaining after issuing 2.28% salary increase

- I. Remaining COLA will be used to increase salaries due to wage compression caused by the minimum wage increase in 2021, and provide salary increases to direct service staff – family workers and other direct service staff

\$60,160 – The QI funds will be used to provide salary increases to nurses, aides, and assistants.



ADMINISTRATION FOR
CHILDREN & FAMILIES

Office of Head Start | 330 C St., SW, 4th Floor, Washington DC 20201 | eclkc.ohs.acf.hhs.gov

April 20, 2022

Grant No. 02CH011394

Dear Head Start Grant Recipient:

The Consolidated Appropriations Act, 2022, contains an increase for Head Start of approximately \$289 million over the Fiscal Year (FY) 2021 level. This includes a cost-of-living adjustment (COLA) of \$234 million and a \$52 million Quality Improvement investment. The COLA supports a 2.28 percent adjustment above FY 2021 funding levels to increase the pay scales of Head Start and Early Head Start staff, including vacant positions, fringe benefits, and to offset higher operating costs. Quality Improvement funds are allocated proportionately based on federal funded enrollment levels, with additional adjustments given to smaller grant recipients to allow for a meaningful investment, as permitted by the Act.

The following table reflects the COLA and Quality Improvement increases available for FY 2022.

Funding Type	Head Start	Early Head Start
Cost-of-Living Adjustment (COLA)	\$216,803	\$74,155
Quality Improvement (QI)	\$43,144	\$17,016
Total Funding		\$351,118

Please note, these permanent increases are effective at the start of the FY 2022 budget period and are retroactive if this period has already commenced. Allocations are subject to adjustment if changes are made to annual funding/enrollment levels. Applicable to recipients operating both a Head Start and Early Head Start program, allocations for each funding type by program must be budgeted accordingly in application submissions.

Application Submission Requirements

The supplemental application is due **June 1, 2022** and must be submitted in the Head Start Enterprise System (HSES). To apply, please select the **Financials** tab, **Grant Application** tab, **Fiscal Year 2022**, and add the **'Supplement – COLA and Quality Improvement'** amendment type. No other application type for these funds will be accepted. For additional information on the allowable uses of COLA and Quality Improvement funding, refer to Program Instruction ACF-PI-HS-22-02.

Content of 'Supplement – COLA and Quality Improvement' Application

Applications must include separate project narratives and detailed budget justifications for each funding type, COLA and Quality Improvement, and by program, Head Start and/or Early Head Start. Each narrative must use 12-point font, and not exceed 10 pages. All narratives, budget justifications, and other supporting documentation must be uploaded into respective folders within the **Documents** tab of the application.

For COLA, the following must be demonstrated:

- A permanent increase of no less than the required 2.28 percent adjustment to the pay scale for each Head Start/Early Head Start position, including current employees and unfilled vacancies subject to the provisions of Sections 653 and 640(j) of the Head Start Act;

- A rationale and supporting documentation detailing agency policies and procedures if a position is receiving less than the required COLA percentage or differential COLA increases;
- The provision of a no less than 2.28 percent increase to all delegate agencies and partners or justification if less than the required percentage or differential increases are provided to delegate agencies and partners;
- Written confirmation that increases will be applied retroactively to the start of the FY 2022 budget period with a description of how funds will be distributed to affected employees, if applicable;
- The planned uses for any portion of the COLA funds to offset higher operating costs, once the 2.28 percent increase is provided to all staff, delegates and partners.

For Quality Improvement, the following must be demonstrated:

- Investments are consistent with Sec. 640(a)(5) of the Act (except programs are not bound by the requirements that at least 50 percent of the funds be used for staff compensation or that no more than 10 percent of funds be used on transportation. For more information on allowable activities as outlined in the Act, please see Attachment A);
- Investments made in Quality Improvement should be ongoing; description and written confirmation that funds will be used for ongoing purposes consistent with Section 640(a)(5) of the Act;
- If funds are used for staff wages, written confirmation that increases will be applied retroactively to the start of the FY 2022 budget period with a description of how funds will be distributed to all affected employees.
- If funds are used for one-time activities in the FY 2022 budget period, describe plans for how the funds will be allocated in the subsequent budget period.

Recipients are strongly encouraged to commit to sustained quality improvement investments, such as further increasing wages of Head Start/Early Head Start educational staff. However, grant recipients have the flexibility to use these funds to support the greatest local needs, consistent with Section 640(a)(5) of the Act.

Application's Budget Tab Requirements

The data entered on the Budget tab within the application populates the SF-424A. Grantees are required to include funds for both COLA and Quality Improvement, and within the appropriate program, Head Start or Early Head Start.

Non-Federal Match

The budget and detailed budget justification must include each source of non-federal match, including estimated amount per source and the valuation methodology. Flexibilities continue for waiver requests of the non-federal match requirement through the public health emergency due to the COVID-19 pandemic. If a non-federal match waiver is being request, a value of \$0 must be entered in Section C of the SF-424A of the application. No additional justification is required, and the issuance of a notice of award constitutes approval of the request.

Supporting Documents

Signed statements of the Governing Body and Policy Council Chairs along with Governing Body and Policy Council minutes documenting each group's participation in the development and approval of the application must be provided. Through the public health emergency, at a minimum a statement confirming approval by Governing Body and Policy Council members available for contact will be accepted.

The application must be submitted on behalf of the Authorizing Official registered in the HSES. **Incomplete applications will not be processed.**

Please ensure the application contains all of the required information. If you have any questions or need assistance, please contact Gabrielle Grant, Head Start Program Specialist, at 646-905-8091 or gabrielle.grant@acf.hhs.gov or Nekeya O'Connor, Grants Management Specialist, at 202-838-3321 or nekeya.o'connor@acf.hhs.gov.

Program Improvement (One-Time) Requests

Grant recipients encountering program improvement needs that cannot be supported by the agency budget are invited to apply for one-time funding. This funding must be applied for separately through the appropriate amendment in HSES. Program Improvement requests are prioritized and subject to funding availability. For questions regarding program improvement needs and requests, please contact the regional office.

For technical assistance in preparing the application, please contact the HSES Help Desk at help@hsesinfo.org or 1-866-771-4737.

Sincerely,
The Office of Head Start

Attachment A

Allowable Uses of Quality Improvement Funds as Specified in the Head Start Act

1. To improve the compensation (including benefits) of educational personnel, family service workers, and child counselors, as described in Sections 644(a) and 653 of the Head Start Act, in the manner determined by the Head Start agencies (including Early Head Start agencies) involved, to support the following —
 - ensure that compensation is adequate to attract and retain qualified staff for the programs involved in order to enhance program quality;
 - improve staff qualifications and assist with the implementation of career development programs for staff that support ongoing improvement of their skills and expertise; and
 - provide education and professional development to enable teachers to be fully competent to meet the professional standards established under Sec. 648A(a)(1) of the Act, including—
 - providing assistance to complete postsecondary course work;
 - improving the qualifications and skills of educational personnel to become certified and licensed as bilingual education teachers, or as teachers of English as a second language; and
 - improving the qualifications and skills of educational personnel to teach and provide services to children with disabilities
2. To support staff training, child counseling, and other services necessary to address the challenges of children from immigrant, refugee, and asylee families; homeless children; children in foster care; children with limited English proficiency; children of migrant or seasonal farmworker families; children from families in crisis; children referred to Head Start programs (including Early Head Start programs) by child welfare agencies; and children who are exposed to chronic violence or substance abuse.
3. To ensure that the physical environments of Head Start programs are conducive to providing effective program services to children and families, and are accessible to children with disabilities and other individuals with disabilities.

4. To employ additional qualified classroom staff to reduce the child-to-teacher ratio in the classroom and additional qualified family service workers to reduce the family-to-staff ratio for those workers.
5. To ensure that Head Start programs have qualified staff that promote the language skills and literacy growth of children and that provide children with a variety of skills that have been identified, through scientifically based reading research, as predictive of later reading achievement.
6. To increase hours of program operation, including the following —
 - conversion of part-day programs to full-working day programs; and
 - increasing the number of weeks of operation in a calendar year.
7. To improve community wide strategic planning and needs assessments for Head Start programs and collaboration efforts for such programs, including outreach to children described in no. 2 above.
8. To transport children in Head Start programs safely.
9. To improve the compensation and benefits of staff of Head Start agencies, in order to improve the quality of Head Start programs.